

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Ave N1058(B)
Indianapolis, IN 46204
Re: Vigo County 2014 Pay 2015 Ratio Study

August 26, 2014

Dear Barry,

We have completed the Vigo County 2014 pay 2015 ratio study for 2014 Annual Adjustments. Values in the Ratio Study were set by analyzing valid sales disclosure transactions occurring between January 1, 2013 and February 28, 2014. Groups with insufficient current sales were analyzed with time adjusted 2012 sales. Duplicate 2012 sales were removed from the study.

We used multi-parcel sales in our ratio study. All cost data and parcel characteristics are valued as of March 1, 2014. No changes were made to land base rates or neighborhood delineations. Residential rental properties are valued with our established GRM database.

We performed a preliminary Calibration analysis at the township level, and implemented sales from the 2013 pay 2014 ratio study into our 2014 calibration analysis in groups with insufficient data to analyze.

The 2013 pay 2014 sales are time adjusted using Sales Ratio Trend Analysis method. The time adjusted sale price for 2012 sales is included in our ratio study.

Adjustment factors were applied to sold and unsold parcels to ensure assessed values reflect market value in- use. Most of the markets increased or decreased slightly, Riley Township residential improved parcels increased 5%.

In some townships, we had to trim outliers that were heavily scrutinized and determined they did not fit the respective market. Other sales in these townships supported the market values, and the identified outliers are not indicative of those values. The outlier sales are listed in our ratio study in a separate tab with an explanation of why the sales were not used in the study. Also included in the outlier tab are sales that were further scrutinized and deemed invalid.

Industrial Vacant, Industrial Improved and Commercial Vacant Groups

There are insufficient valid sales to analyze for 2014 and 2015.

Commercial Improved

Commercial new construction in Vigo County has increased in Honey Creek and Lost Creek Townships. Much of the new construction is along Highway 41 in Honey Creek Township and Highway 40 in Lost Creek Township.

The majority of commercial improved sales occurred in Harrison, Honey Creek and Lost Creek Townships. 75% of the sales in Lost Creek Township are multi-family apartment buildings. There are insufficient sales to individually analyze Honey Creek Township.

We analyzed Harrison Township separate from the remaining 11 townships in a calibration analysis with implemented 2012 sales. An adjustment factor of 1.03 was produced for Harrison Township, and applied to all sold and unsold parcels.

Lost Creek, Otter Creek, and Sugar Creek Townships were analyzed in one group. The commercial improved market in these townships is similar. These townships are similar in parcel characteristics, type, and use of commercial parcels sold and unsold.

The outliers were heavily scrutinized. Further review indicated no assessment errors.

The time adjustment for commercial improved 2012 sales is 0.95.

Residential Vacant

We adjusted residential vacant parcels in Vigo County with the same method used in prior years. All sold and unsold residential vacant parcels are adjusted using each respective township's residential improved adjustment factor. All 12 townships are grouped together in our ratio study.

Residential Improved

All townships with 25 or more current residential improved sales were analyzed individually in a calibration analysis. Fayette Township produced an adjustment factor of 1.00. No sold or unsold residential improved parcels in Fayette Township were changed with an adjustment factor. Harrison, Honey Creek, Lost Creek, Otter Creek, Riley, and Sugar Creek Townships were all analyzed separately with current sales. Adjustment factors were applied to sold and unsold parcels.

Linton, Nevins, and Prarieton Townships were analyzed individually with implemented 2012 sales. Adjustment factors were applied to sold and unsold properties.

Pierson and Prairie Creek Townships were analyzed in one group with implemented 2012 sales. These townships are rural, similar in residential improved markets, and similar in parcel characteristics of sold and unsold parcels.

The 2014 annual adjustment process in Vigo County indicates market stability with a slight increase or decrease in values.

Please contact me if you have questions or concerns.

Respectfully submitted,

Debbie Lewis

Vigo County Assessor